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Government Affairs Director

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July 30, 1997

Mr. William F. Caton, Acting Secretary Federal Communications Commission 1919 M Street, N. W. Washington, D. C. 20554

RECEIVED

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FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

Re: Ex Parte, CC Docket No. 96-98

Dear Mr. Caton:

On Wednesday, July 30, 1997, Karen Weis, Leonard Cali, Albert Lewis and I of AT&T met with Melissa Waksman. Brent Olsen and Kalpak Gude of the Common Carrier Bureau's Policy and Program Planning Division. The purpose of the meeting, undertaken at the request of the Chief-Policy and Program Planning Division, was to discuss the recording and billing of unbundled local switching, and update the Commission on Phase II of AT&T's efforts to test and provision with Ameritech the combination of unbundled network elements known as the "UNE platform."

During the course of the meeting AT&T used the attached document to explain the recording and billing of usage associated with the unbundled network element platform. In addition, AT&T discussed Phase I of the UNE platform trial with Ameritech, consistent with its written comments in CC Docket No. 97-137. AT&T also discussed issues associated with its efforts to pursue Phase II of its trial with Ameritech, including the number, type and location of trial switches, a tentative start date, and trial duration. In general, AT&T expressed the view that it is seeking a Phase II trial that is broader and of longer duration than that preferred by Ameritech, and one which would include service readiness testing.

Two copies of this letter and the attachments are being submitted to the Secretary of the Federal Communications Commission in accordance with Section 1.1206(a)(1) of the Commission's Rules for inclusion in the record of the above-referenced proceeding.

Sincerely,

ATTACHMENT

cc: M. Waksman

B. Olsen

K. Gude

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AGENDA

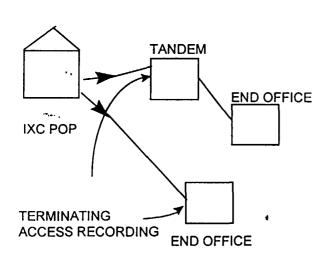
TERMINATING INTERLATA ACCESS

RECIPROCAL COMPENSATION FOR LOCAL CALLING

COMPENSATION FOR INTRALATA TOLL CALLING

UNBUNDLED LOCAL SWITCHING

TERMINATING INTERLATA ACCESS



Terminating access records made in switches today.

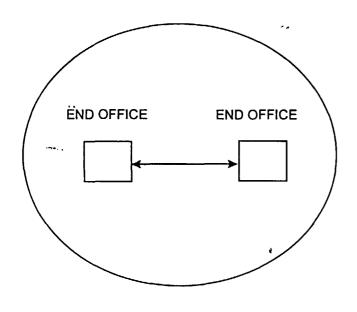
Records include to and from numbers and CIC

Records need to be identified by UNE platform purchaser.

Proposed solution:

Screen terminating access records by telephone numbers of platform's end users.

RECIPROCAL COMPENSATION FOR LOCAL CALLING



LOCAL CALLING AREA

Calls routed over ILEC network to platform customers are local or intraLATA toll.

1.

Originating calls equal terminating calls.

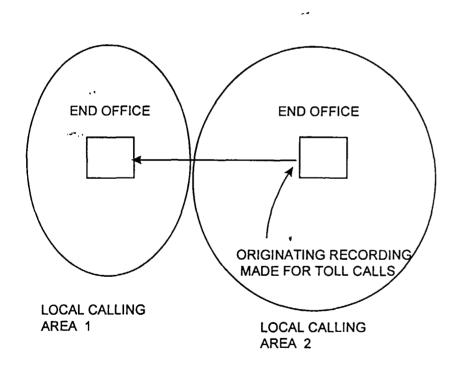
Local calls to end users that are customers of platform purchasers need to be identified.

Proposed solution:

Calls to and from ILEC and UNE platform customers should be reasonably equal.

Bill and Keep is an appropriate compensation vehicle in the interim.

COMPENSATION FOR INTRALATA TOLL CALLING



Calls routed over ILEC network to platform customers are local or intraLATA toll.

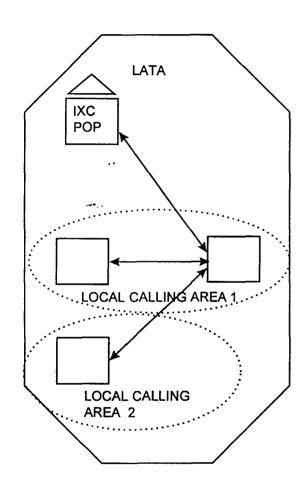
Originating calls equal terminating calls.

IntraLATA toll calls to end users that are customers of platform purchasers need to be identified.

Proposed solution:

Screen originating intraLATA toll records by the telephone numbers of the platform purchaser's customers.

UNBUNDLED LOCAL SWITCHING



Terminating calls to a platform purchaser's customers are charged unbundled local switching on a per minute basis.

Terminating calls to the platform purchaser's customers need to be identified.

Proposed solution:

Develop an originating to terminating ratio that accounts for:

- T/O for interLATA access minutes
- Interswitch calling for both local and intraLATA calls

Add percentage of terminating usage to originating usage.

1 plus the factored percentage is applied to originating minutes in calculating total ULS.

ALTERNATIVE DERIVATION-TERMINATING INTERLATA ACCESS

ILEC refuses to use existing terminating access records which include terminating usage and CIC.

Derivation of terminating interLATA usage must be based on originating usage records associated with each UNE platform purchaser's customer.

Proposed solution:

Calculate a T/O ratio for all interLATA IXC usage.

Calculate terminating usage for all IXCs for each platform purchaser.

Spread terminating usage among IXCs based on IXC usage.

ALTERNATIVE DERIVATION--RECIPROCAL COMPENSATION FOR LOCAL AND LOCAL TOLL

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ILEC does not agree to bill and keep for local calling reciprocal compensation.

ILEC refuses to use existing local toll usage records to determine terminating local toll minutes.

Terminating minutes used to bill reciprocal compensation for local and local toll must be calculated from originating minutes associated with the UNE platform purchaser's customer.

Proposed solution:

To determine minutes delivered to a terminating switch, the following are subtracted from the UNE platform purchaser's customer's originating minutes:

Originating IXC minutes and intraswitch minutes

A percent local traffic factor is applied to split usage into local and local toll.

The billable party is determined by distributing the calculated minutes to originating local providers resident in the ILEC's local switches.

ALTERNATIVE DERIVATION--UNBUNDLED LOCAL SWITCHING

Terminating traffic is not currently measured in end office switches.

Terminating minutes to which ULS rate is applied must be calculated based on originating minutes associated with UNE platform purchaser's customer line.

Proposed solution:

Determine interswitch terminating minutes carried over ILEC network by taking the UNE platform purchaser's customer's originating minutes of use and subtracting the intraswitch minutes.

Add terminating IXC minutes to the interswitch terminating minutes.